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28 SEP 1953

Preliminary Tentative Draft of a Proposed Informal Memorandum for the Record Concerning a Meeting on 26 September 1953

SUBJECT: Treatment of Budget Requirements in Administrative Plans

1. The following document, prepared by [redacted] was discussed:

"Agreed Guide --

(a) For all [redacted] major categories shall be developed and stated in the Plan. In new projects, limit application of Plan to first year of operation and require new Plan for second year.

(b) For small [redacted] projects categories of expenses will be omitted from Administrative Plans proper.

"For medium-size [redacted] on a case basis decide whether (a) or (b) above, shall be followed."

[redacted]

would contain a requirement that a budget be prepared but no breakdown would be specified in the Administrative Plan. It was recognized, however, that in some cases the participants in the preparation of the Administrative Plan might consider that a breakdown should be specified in the Plan. If these participants include the Division and FAPS, TAs would not object. If the Division objected to such specification then FAPS and TAs would agree in advance of the coordination

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meeting on whether or not a specification should be included and if so, they would agree on its terms. The same procedure will apply in the case of medium-sized projects but with reversed emphasis.

3. The above consensus rested upon the understanding that primary responsibility should be, and now is, on the Division Budget and Fiscal Officer to see that proper operating budgets were constructed for all projects. Secondary responsibility rests with the Comptroller's representative on the Staff of the SSA-DM/S to see that appropriate budgetary data exists to cover

4. KB -- Although the last sentence of paragraph (a) of the agreed guide was not discussed in detail, I feel it necessary to attach a qualification to it. This is that in ~~no~~ cases in which a project can and should be fully thought out as to its objectives and methods then the nature of the budget breakdown can and should be specified in the Administrative Plan. In other words, only in those cases where the precise nature of the project activity is still uncertain and there is a good reason to proceed with securing approval of the project in its uncertain form should the Interim Plan technique be used.

5. As stated this memorandum is tentative. If any of the participants in the meeting have violent objection to this version of what it would have been nice to have decided formally at the meeting, I would appreciate receiving same. If on the other hand, everyone accepts the above statement as written, I feel that it is unnecessary to send written concurrences. If, therefore, no comments are received by the close of business September 25, I will consider that this paper is agreed to.

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CFB:mah

SIGN